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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92056317
Party	Plaintiff Cockpit USA, Inc.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

.....
COCKPIT USA, INC.,

Petitioner,

v.

TOP GUN INTELLECTUAL
PROPERTIES LLC,

Registrant.
.....

Cancellation No. 92056317

Registration No. 2817325

PETITIONER'S OPPOSITION TO REGISTRANT'S MOTION TO DISMISS

Petitioner, Cockpit USA, Inc. ("Petitioner" or "Cockpit"), by its attorneys Rand
Rosenzweig Radley & Gordon LLP, opposes the motion of Registrant, Top Gun Intellectual
Properties LLC ("Registrant" or "LLC") to dismiss Cockpit's petition for cancellation of
Registration No. 2,817,325 ("Petition") for failure to state a claim upon which relief can be
granted ("Motion").

FACTS

The Petition demands cancellation of LLC's registration in IC 25 of the mark, TOP GUN
(the "Mark"), for fraud on the USPTO on the separate grounds of knowingly making false
statements in its application for the Mark, in its Section 8 Declaration of Use, and in its Section
15 Declaration of Incontestability. In its initial application in 2003, LLC claimed its first use of
the Mark was July 6, 1996, and attested that as of the date of its application, it knew of no other
person with the right to use the Mark in commerce. The Petition alleges this statement was false.
As the pleadings contend, Registrant's predecessor formed a business in June 1996 for the
purpose of operating a multi-brand retail store, commenced purchasing apparel identified with

the Mark from Petitioner in July 1996, and continued to purchase such apparel at least through March 2003, a month after Registrant filed its false declaration with the USPTO. (Petition at ¶¶ 3, 9-13). For purposes of this motion, LLC concedes in its papers that Cockpit has alleged that LLC knew Cockpit was using the Mark prior to LLC's application filing date. (Motion at 4). Cockpit's use of the Mark started under a license agreement with Paramount Pictures, producer of the famous Top Gun movie released in 1986. Cockpit continued to use the Mark after this short-term license ended through its sales at retail and wholesale of leather jackets and other apparel and has done so continuously for the past 25 years, resulting in common law rights to the Mark in relation to these goods. (Petition at ¶ 8).

The Petition also alleges fraud in LLC's combined declaration. In its Declaration of Use, LLC claimed it was using the Mark on all goods listed, and in its Declaration of Incontestability, it claimed continuous use for the preceding five years of the Mark on all goods listed. The Petition alleges that these two sworn statements were false on information and belief that LLC had not used the Mark on all the goods listed and had not continuously used the Mark on all goods listed. As to all three fraud claims, the Petition asserts that LLC knew its declarations were false at the time they were made, but made them with an intent to deceive the USPTO for purposes of obtaining and continuing its registration of the Mark in IC 25. (See Petition at ¶¶). The Petition alternatively seeks cancellation of the Mark for leather jackets as generic in the industry.

SUMMARY OF ARGUMENT

LLC fails to present as a matter of law a basis for dismissal of any of the claims pled in the Petition. Petitioner has presented well-pleaded allegations stating three counts of fraud on the USPTO with the requisite particularity required under Fed.R.Civ.P. 8 and 9(b) for trademark

cases (Point I). Additionally, as a matter of law, LLC has incorrectly presented Petitioner's burden in pleading fraud on the USPTO. (Point II). Finally, Petitioner has properly pled that the Mark is generic as to leather jackets in IC 25 (Point III). Alternatively, if the Board finds that Petitioner did not adequately plead fraud on the USPTO as to any of Registrant's declarations or that the Mark is generic as to leather jackets, it respectfully requests permission to file an amended petition, pursuant to Fed.R.Civ.P. 15(a).

ARGUMENT

POINT I

PETITIONER'S WELL-PLEADED ALLEGATIONS PROPERLY STATE FRAUD ON THE USPTO BY REGISTRANT AND SHOULD NOT BE DISMISSED

On a motion to dismiss pursuant to Fed.R.Civ.P. 12(b)(6), the TTAB must accept Petitioner's well-pleaded allegations as true, and construe the Petition in the light most favorable to Petitioner. *Meckatzer Lowenbrau Benedikt Weib Kg*, 95 U.S.P.Q.2d 1185 (TTAB 2010) (citing *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 988 F.2d 1157, 26 U.S.P.Q.2d 1038 (Fed. Cir. 1993)). In order to withstand a motion to dismiss for failure to state a claim, Petitioner need only allege such facts as would, if proved, establish that (1) it has standing to maintain the proceedings, and (2) a valid ground exists for cancelling the Mark. The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R.Civ.P. 8(f), to determine whether it contains any allegations which, if proved, would entitle Petitioner to the relief sought. *See Advanced Cardiovascular*, 988 F.2d at 1159; TBMP §503.02 (3d. ed. rev. 2012).

In a claim for fraud upon the USPTO, the requirements of Fed. R.Civ.P. 9(b) for pleading fraud with particularity must be balanced with the notice pleading requirements of Rule 8. As

the federal courts have long held, Rule 9(b) must be read in conjunction with Rule 8 which only requires a short and plain statement of the claim. *Tomera v. Galt*, 511 F.2d 504, 508 (7th Cir.1975); *Schlueter v. Cozad*, 674 F.Supp. 1351, 1353 (C.D.Ill.1987) (“The particularity requirement of Rule 9(b) does not ... render the general principles of Rule 8 inapplicable to pleadings alleging fraud”). The purpose of requiring fraud to be pled with particularity is to provide the responding party with the information necessary to file responsive pleadings. See *Gaffrig Performance Indus., Inc. v. Livorsi Marine, Inc.*, 2001 WL 709483 at *4–5 (N.D. Ill.).

In applying Rule 9(b), the courts have held that Petitioner is not required to plead the exact facts of the fraud, merely its circumstances, *i.e.*, the when, where, how, why and who of the alleged fraudulent statements. *Id.* at 4; *Scorpiniti v. Fox Television Studios, Inc.*, 104 U.S.P.Q.2d 1936 (TTAB 2012). When pleading fraud on the USPTO that “center[s] on the application for trademark registration,” it is sufficient to identify the specific document filed with the Office, its date of filing, and the alleged misrepresentations in the document, as the registrant is “well aware” of these circumstances. *Gaffrig*, 2001 WL 709483 at 4; *see also Top Producer Sys. Inc. v. Software Scis. Ltd.*, 1997 WL 723049, at *3 (D.Or.) (identifying specific document, date it was filed with the USPTO and the alleged misrepresentations sufficient to plead fraud).

Despite LLC’s claims to the contrary in the Motion with regard to all the fraud claims, this is exactly what Cockpit has alleged in the Petition. For each of the three fraud claims, Cockpit identifies: (i) the document filed with the USPTO, (ii) the date of the document, and (iii) the alleged false statements and why they are false. (See Petition at ¶¶ 3, 12-13, 19, 22-24, 28-30). As the fraud claims center on Registrant’s application for registration and combined declaration, LLC is well aware of the circumstances of the allegations, and no further description of the fraud is required by Rule 9(b) in this type of trademark case. *Gaffrig*, 2001 WL 709483 at

4. Thereafter, as to each fraud claim, the Petition generally alleges that Registrant knew the misrepresentations were false and purposefully made them with intent to deceive the USPTO in order to obtain or maintain its registration, which again is exactly what it required by the courts and the TTAB for pleading fraud on the USPTO. (See Petition at ¶¶ 20, 26, 32). *Gaffrig*, 2001 WL 709483 at 4. Thus, as a matter of law, the Petition more than adequately meets the pleading standards for fraud under Rules 8 and 9(b), providing Registrant with the information necessary to file responsive pleadings. See *Gaffrig*, 2001 WL 709483 at 4 (“[b]y no stretch of the imagination is the fraud [on the USPTO] so vaguely alleged that the Defendant is unable to formulate effective responsive pleadings”).

POINT II

REGISTRANT INCORRECTLY STATES PETITIONER’S BURDEN IN PLEADING THE FRAUD CLAIMS

A. Petitioner’s Allegation of Fraud Are Not Contradicted by its Former License

LLC argues that Cockpit has alleged its right to use the Mark under a license that ended prior to LLC’s application filing date and as a result the allegations “do not support a claim that Petitioner had the right to use the TOP GUN mark, at the time the application was filed, let alone that Registrant knew that Petition had such a right and intended to deceive the Trademark Office.” (Motion at 3-4). From this assertion, Registrant makes the unsupported factual assumption that “Petitioner did not have the right to use the mark at the time the application was filed.” (*Id.* at 4). And from this premise, that Cockpit has not alleged a legal right to use of the Mark, LLC makes the further leap that any allegation by Cockpit that Registrant knew at the

time Petitioner had a right to use the Mark is contradicted by its fact allegation that its license agreement to use the Mark had ended. (*Id.*).¹

LLC's argument is erroneous on numerous grounds. First, LLC is making factual assumptions not stated in the Petition and thus failing to construe the pleadings in the light most favorable to Cockpit. *Meckatzer*, 2010 WL 1946273 at *2-3 (rejecting respondent's arguments against fraud pleading as "not well taken"); *Advanced Cardiovascular*, 988 F.2d at 1161 ("to the extent that factual questions are raised and are material to the result, dismissal is improper"). Even assuming that Cockpit's right to use the Mark had ended with the license agreement, this contention ignores the numerous alternative bases for the right to use of a trademark. Such other bases for use include authorization from the owner, abandonment of the Mark by the owner in IC 25, or Cockpit's own common law rights. The fact that the license agreement ended prior to Registrant's filing does not contradict Cockpit's allegation that it had a right to use of the Mark at the time of that filing by LLC. Since Cockpit alleges it used the Mark in connection with apparel for over 25 years (Petition at ¶ 8), a more plausible reading of the Petition is that Cockpit had a right to use the Mark at the time of LLC's declaration, which right LLC knew when it falsely declared otherwise in the application. (Petition at ¶¶ 5, 8, 12, 19). *See Ashcroft v. Iqbal*, 556 U.S.662, 129 S.Ct.1937 (2009) (plausibility standard applies to all federal civil claims). By presenting a different fact scenario than that alleged in the Petition, LLC is raising questions of fact which are not permitted as a basis for dismissing the claim.

¹ Notably, LLC presents no legal support for any of its assumptions, just for its conclusion that contradictory factual allegations are a basis for dismissal. LLC cites to one case, *Whittington v. U.S.*, 2012 WL 2114970 *3 (D.D.C.), which is not a trademark case, and not even a fraud case, but a tax evasion proceeding that held that a factual pleading that contradicts the claim is a basis for dismissal. As the following discussion addresses, unlike *Whittington*, LLC cannot point to any facts in the Petition that directly contradict Cockpit's allegation of a right to use the Mark.

Second, LLC's argument assumes that Cockpit must be the entity that had the right to use the Mark at the time of LLC's filing, for Cockpit to state a viable claim of fraud. But this assumption is also erroneous. Standing to bring a cancellation proceeding does not require the petitioner to have a superior right to the trademark, just that someone has that right which the registrant knew at the time of the application. *Mears v. Montgomery*, 2004 WL 964093 at 15 (S.D.N.Y.) (citing numerous cases and Section 14 of Lanham Act that permits "any person" with "real interest" to bring a cancellation proceeding); *D.M. Antique Import Corp. v. Royal Saxe Corp.*, 311 F.Supp. 1261, 1268 (SDNY 1969) (registration of a mark not required to bring action); *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 727 F.2d 1087, 1092 (Fed. Cir. 1984) (party with "equal right to use of mark" had standing). Thus, it does not matter at this pleading stage whether Cockpit had the superior right to use the Mark at the time Registrant made the declaration in the application, because Registrant knew someone had the right, making its declaration false. Clearly, as LLC admits in its Motion, it was buying products identified with the Mark prior to the application, and by doing so it knew someone had a registered or common law right to the Mark, whether it was Cockpit or another person. (Petition at ¶¶ 8, 11-13; Motion at 4). Regardless of whether Cockpit in fact had the right to use the Mark at the time of Registrant's declaration that "it knew of no person with a right to use the Mark," the statement was clearly false when made on the facts alleged and conceded by LLC. (Petition at ¶ 19; Motion at 4).

Thus, LLC's argument that as a matter of law, Cockpit's allegations are not plausible on their face, fails. LLC's assertion that the Petition's factual allegations do not support Cockpit's claim to a right to use the Mark at the time of Registrant's application, is of no avail, because even if it is true, *arguendo*, LLC knew by its purchase of the products from Cockpit that if

Cockpit did not have the right, another did. In either event, Registrant's declaration in the application was false. If necessary, Cockpit will amend its Petition to allege that Registrant knew that Cockpit was using the Mark in commerce with connection with leather jackets and other apparel, and accordingly knew that Cockpit or another had a right to use the Mark, but falsely stated otherwise.

B. Petitioner Sufficiently Alleges Facts of Its Use of the Mark

LLC further asserts as grounds for dismissal in this section of the Motion, that Cockpit has omitted specific facts supporting its right to use the Mark at the time of the application and the products with which it used them, and then bizarrely contends that these facts must be alleged with particularity under Rule 9(b). (Motion at 5-6). As to the first argument, LLC apparently ignores the Petition's detailed description at ¶¶ 4-5 of Cockpit's use of the Mark, and at ¶¶ 7-8, 13 for its right to use the Mark. Moreover, more to the point are the specific allegations in the Petition regarding Registrant's knowledge at the time of its fraudulent declaration. LLC's predecessor formed a company in June 1996 and opened a multi-brand retail store. (Petition at ¶¶ 9-10). Thereafter, less than one month later, LLC commenced purchasing apparel products from Cockpit for resale, including leather jackets and other goods sold by Cockpit under the Mark. (*Id.* at ¶ 12). LLC continued to purchase such goods identified with the Mark from Petitioner for the next eight years, up to and including March 2003. (*Id.*) But in February 2003, Registrant attested to the USPTO that it knows of no other person with a right to use the Mark in connection with apparel including leather jackets. (*Id.* at ¶¶ 3, 19). This declaration is false as Registrant knew Cockpit had a right to use the Mark with leather jackets and other apparel at the time the declaration was made. (*Id.* at ¶ 13).

On LLC's second point, it imposes a burden that does not exist in the law. In a trademark cancellation proceeding alleging fraud on the USPTO, Rule 9(b) requires particulars only as to the fraud alleged against the registrant, and does not impose a heightened pleading standard as to use of the mark in commerce by another. Not surprisingly, LLC again has no legal support for its reinterpretation of the law regarding pleading fraud on the USPTO in a cancellation proceeding. (*Compare* Motion at 5 *with* citations above in Point I regarding pleading fraud-on-the-USPTO claims with particularity). Nevertheless, Cockpit can easily particularize by amending the Petition to allege that over the years it has offered for sale, through numerous retail and wholesale catalogs and other written materials, leather jackets and other apparel under the Mark.

C. Registrant Incorrectly Contends that Petitioner Has Not Sufficiently Alleged Intent to Deceive in the Section 8 and 15 Fraud Claims

At Part 2b of the Motion, LLC incorrectly argues that Cockpit has not complied with the pleading burdens in alleging fraud in LLC's Section 8 and Section 15 declarations. (Motion at 6-7). Cockpit addresses LLC's mistaken view of Rule 9(b) with regard to pleading fraud in a trademark cancellation proceeding, at Point I above. LLC also inaccurately contends that Cockpit cannot allege fraud by information and belief. The law specifically permits such a pleading where the information is necessarily in the possession of the opposing party, as is the case here. *Scorpiniti*, 104 U.S.P.Q.2d 1936. LLC knows the goods that it has sold in commerce under the Mark and whether or not each one listed in the registration has been sold continuously in commerce. This is not information necessarily in the possession of Cockpit. However, if necessary, Cockpit will amend its Petition to allege that its belief for the allegations are premised on its review of LLC's website (www.topgunstore.com) at the time the Petition was drafted. Then and as of the date of this brief, LLC's website does not list any products designated as

footwear, shoes, sandals, sports coats or jeans, which items are all listed as goods used with the Mark in commerce continuously for the five years prior to the Section 8 and 15 declarations. *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q.2d 1205 (TTAB 2003) (false statement of use as to some goods voids entire registration and deletion of the goods upon which the mark has not yet been used does not remedy an alleged fraud upon the USPTO).

Additionally, LLC improperly contends that the Petition does not adequately allege that Registrant made the false statements in the combined declaration with intent to deceive the USPTO. (Motion at 7). LLC ignores not only the law but the pleadings. The Petition clearly alleges the false statements were made “with the intent to deceive the USPTO” to continue and obtain incontestability status of Registrant’s registration of the Mark in IC 25 for each of the goods listed in the registration. (Petition at ¶¶ 26, 32). A general allegation of intent to deceive is sufficient to state a viable claim of fraud, as confirmed by the courts and TTAB countless times. *See Daimlerchrysler Corp. v. AMC*, 94 U.S.P.Q.2d 1086 (TTAB 2010) (“intent, as a condition of a mind of a person, may be averred generally”); *Meckatzer*, 2010 WL 1946273 at *3 (upholding general allegation of intent by registrant). Thus, Cockpit has more than adequately stated its claims for fraud by Registrant’s false attestations in the Section 8 and 15 declarations.

POINT III

PETITIONER PROPERLY PLED MARK IS GENERIC FOR LEATHER JACKETS

Cockpit’s claim that the Mark is generic as to leather jackets is pleaded in the alternative, a permissible form of pleading even if contradictory. Fed.R.Civ.P. 8(d). LLC incorrectly contends this claim must be dismissed because Cockpit’s prior allegations that it uses the Mark as a trademark contradict this claim that the Mark is generic as to leather jackets. While Cockpit may assert a right to use the Mark with leather jackets as part of its fraud claims, these

allegations do not eliminate grounds for stating a claim that the Mark is generic for these goods. As the courts and TTAB have long held, “trademark rights are not static.” *DeWalt, Inc. v. Magna Power Tool Corp.*, 289 F.2d 656, 660 (CCPA 1961). A registered or common law right to a trademark can evolve so that the mark becomes descriptive or generic and thus no longer enforceable as a trademark. *Id.*; *Remington Products, Inc. v. North American Philips Corp.*, 892 F.2d 1576 (Fed. Cir. 1990) (citing *DeWalt* favorably on parallel facts). Similarly to the facts in *DeWalt* and *Remington*, the Petition alleges that the Mark was used by Petitioner in connection with leather jackets for over 15 years before Registrant registered the Mark which then became generic from use in the industry, warranting cancellation of the registration. If the TTAB should find the Mark is generic as to leather jackets, then the result is both Cockpit and LLC, along with any other person, can use the Mark equally, a result Cockpit welcomes. *See Remington*, 892 F.2d 1576.

Contrary to LLC’s Motion, Cockpit’s allegations for this claim comport with the notice pleading requirements of Rule 8. LLC argues that Cockpit’s failure to “reference whatsoever the purchasers of leather jackets . . . [or] what such purchasers understand by the term TOP GUN,” is grounds for dismissal. (Motion at 9). LLC cites to no case holding such information is necessary in the pleadings, and Cockpit has not located any such standard in a judicial or TTAB decision or by a secondary source. This makes sense as the issue of whether a mark is generic as to a particular good or service is a question of fact that cannot be decided on a motion to dismiss. *Top Producer*, 43 U.S.P.Q.2d 1853; *Virginia Polytechnic Institute v. Hokie Real Estate, Inc.*, 100 U.S.P.Q.2d 1199, 2011 WL 926862 (W.D.Va.) (too early in the proceeding to determine question of genericness) (citing numerous cases including *McZeal v. Sprint Nextel Corp.*, 501 F.3d 1354, 1358 (Fed. Cir. 2007)). In fact, the only case cited by LLC addressing genericness,

supports this proposition, by declaring that “placement of a term on the fanciful-suggestive-descriptive-generic continuum is a question of fact.” *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344 (Fed. Cir. 2001).

In contrast to LLC’s argument, the TTAB has held for some time that to assert a claim that a trademark registration should be cancelled on the grounds of genericness:

“a plaintiff need only show that it is engaged in the manufacture or sale of the same or related goods as those listed in the defendant’s involved application or registration and that the product in question is one which could be produced in the normal expansion of plaintiff’s business; that is, that plaintiff has a real interest in the proceeding because it is one who has a present or prospective right to use the term descriptively [or generically] in its business.” *Binney & Smith Inc. v. Magic Marker Industries, Inc.*, 222 USPQ 1003, 1010 (TTAB 1984). “All that is necessary is that petitioner be in a position to have a right to use” the mark in question. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §20:50 (4th ed. 2001). *See also No Nonsense Fashions, Inc. v. Consolidated Foods Corporation, supra*, and *Southwire Company v. Kaiser Aluminum & Chemical Corporation*, 196 USPQ 566 (TTAB 1977).

Nobelle.com, LLC, 66 U.S.P.Q.2d 1300 (TTAB 2003). Cockpit has clearly alleged that it manufactures and sells leather jackets, a good listed in LLC’s registration under the Mark, and further alleged that the Mark is now generic as to that good. (Petition at ¶¶ 5-8, 34-35). These pleadings satisfy the requirements of the TTAB, and LLC cites to no opinion in its Motion to the contrary. If, despite this lack of precedent, additional allegations detailing the understanding of purchasers of leather jackets identified with the Mark are required, Cockpit seeks permission to amend its Petition to so allege.

CONCLUSION

In conclusion, Petitioner respectfully seeks denial of Registrant’s motion to dismiss on the grounds that the Petition sufficiently alleges grounds for cancellation of the registration

based upon fraud on the USPTO with regard to Registrant's initial application, Section 8 declaration and Section 15 declaration, and alternatively for leather jackets as generic in the industry. If the Board should find that the Petition does not sufficiently allege any one of these claims, Petitioner respectfully requests to amend the Petition to so plead, which right should be liberally granted pursuant to Fed.R.Civ.P. 15(a).

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New York, N.Y.

Respectfully submitted,

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